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7 **UNITED STATES BANKRUPTCY COURT**
8 **NORTHERN DISTRICT OF CALIFORNIA**
9 **SAN FRANCISCO DIVISION**

10 In re:

11 INTERNATIONAL LONGSHORE
12 AND WAREHOUSE UNION

13 Debtor(s).

Case Number: 23-30662

Chapter 11

**OPPOSITION TO MOTION FOR
AUTHORITY TO ESTABLISH
PROCEDURES FOR INTERIM
COMPENSATION AND
REIMBURSEMENT OF EXPENSES OF
PROFESSIONALS**

Date: November 16, 2023

Time: 10:00 a.m.

Place: Zoom / Telephonic

Judge: Hon. Hannah L. Blumenstiel

21 Mark Sharf, Subchapter V Trustee, objects to the Motion for Authority to Establish
22 Procedures for Interim Compensation and Reimbursement of Expenses of Professionals (the
23 “Motion” which is ECF 56 in this case). It is critical to not only distinguish this case from
24 Knudsen, but to also view the Motion in light of the purposes of Subchapter V - - to provide for a
25 cost-effective method of reorganization and to encourage the confirmation of consensual Plans.

26 Unlike the Knudsen case, this is a Subchapter V case. In Subchapter V all debtors' counsel
27 know, prior to taking the case, that their fees may be paid out over time pursuant to Section 1191(e)
28 if plan confirmation is not consensual. Knudsen’s rationale - - that debtor’s counsel should not be

1 forced to finance the case - - simply does not apply where debtor's counsel chose that option by
2 agreeing to represent a Subchapter V debtor.

3 Allowing the current payment of fees - - and thus allowing the depletion of the \$9 million
4 being held by the Debtor - - will create a reward cycle which makes it less likely that a consensual
5 plan will ever be reached. It would encourage more legal work, leaving less money available to pay
6 creditors and thus lowering the chance of a consensual plan. These are incentives which are
7 contrary to those already built into Subchapter V, and for that reason the Trustee opposes the
8 Motion.

9 Further, this is not an unusually large case. By definition it is a small business case, and
10 there is no need for an exceptionally large amount of fees to be incurred each month. The Debtor,
11 essentially spending the money of creditors, may choose to incur large fees each month, but that is
12 not an outcome that should be encouraged. It should also be noted that Debtor's counsel took a
13 \$200,000 retainer fee. That amount should be more than sufficient to cover a large portion of fees
14 through plan confirmation.

15
16 Dated: November 9, 2023

/s/ Mark M. Sharf
Mark M. Sharf, Trustee

CERTIFICATE OF SERVICE

I hereby certify that on November 9, 2023, I determined that the following persons will be served with the foregoing pleading electronically via ECF/Pacer.

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Dated: 11/9/2023

/s/ Mark M. Sharf
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